

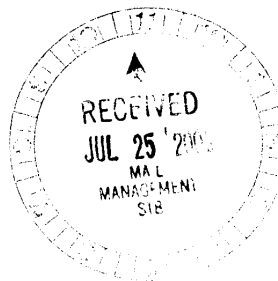
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July 24, 2003



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Vernon A. Williams
Surface Transportation Board
Section of Environmental Analysis
1925 "K" Street, N.W. Room 504
Washington, DC 20423-0001

208518

**RE: Docket AB-33 (Sub-No. 163X), Union Pacific Railroad Company
- Abandonment Exemption - In Lamar, Fannin and Grayson
Counties, Texas (Bonham Subdivision Between Paris, Texas
and Bells, Texas)**

Dear Mr. Williams:

This is in response to the letter dated July 21, 2003, from Richard H. Streeter, Esq., counsel to the Fannin Rural Rail Transportation District ("FRRTD") concerning the above-referenced matter. (See Attachment "A"). This is to confirm that the Union Pacific Railroad Company ("UP") has reached an agreement as to the price term for the transfer of the real property and track structure to the FRRTD or their nominee. The transfer will include the UP's right-of-way between Milepost 94.0 near Paris, Texas on the east to Milepost 127.5 east of Bonham, Texas on the west. This property is located in Lamar and Fannin Counties, Texas. Transfer of the Line will be in accordance with the UP's standard form of line sale contract. Access to and from the Line on both the east and west termini will be with the Texas Northeastern Railroad.

Ten additional copies of this letter are enclosed for the Board's use and distribution.

Sincerely,

Mack H. Shumate, Jr.
Senior General Attorney, Law Department

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ATTACHMENT 1

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July 21, 2003

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

RE: AB-33 (Sub-No. 163X), Union Pacific Railroad Company--
Abandonment Exemption--in Lamar and Fannin Counties, TX

Dear Mr. Williams:

Please be advised that, pursuant to the provisions of 49 C.F.R. § 1152.27(f)(2), the Fannin Rural Rail Transportation District ("FRRTD"), which is a political subdivision of the State of Texas charged with the responsibility for preserving rail transportation services, has reached an agreement with the Union Pacific Railroad Company ("UP") to purchase the 33.5-mile portion of the Bonham Subdivision between milepost 94.0, near Paris, and milepost 127.5, east of Bonham, in Lamar and Fannin Counties, TX that is the subject of the above-referenced proceeding. This will guarantee continued rail operation. If you have any questions, please give me a call at 202-408-6933.

Thank you for your prompt attention to this matter.

Very truly yours,

Richard H. Streeter

RHS:rs

cc: Mack Shumate, Esq.

Indianapolis

Fort Wayne

South Bend

Elkhart

Chicago

Washington, D.C.